

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
MUHLENBERG COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2008 Through June 30, 2009**



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Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Bill Alward
Muhlenberg County Property Valuation Administrator
Greenville, Kentucky 42345

We have performed the procedures enumerated below, which were agreed to by the Muhlenberg County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2008 through June 30, 2009. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Muhlenberg County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2009), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts and disbursements ledger. The PVA conducts a monthly bank reconciliation. The June 30, 2009 bank reconciliation was accurate.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Based on work performed, payments from cities have been confirmed and compare favorably to the PVA receipts records. The list of cities is complete.



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3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Based on work performed, payments made by the Fiscal Court to the PVA have been confirmed. The budgeted statutory contribution by Fiscal Court was compared to the legally required amounts calculated by the Department of Revenue, and the Fiscal Court paid the statutory contribution as required. Fiscal Court payments were traced from the Fiscal Court statutory contribution budget to the PVA's local bank accounts and the receipts register.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

The selected disbursements agree to cancelled checks and paid invoices or other supporting documentation. Expenditures were determined to be for official business. However, the auditor noted the purchase of an advertisement from a local school. A copy of the advertisement was not attached, so the auditor could not determine if the purchased advertisement was within the guidelines set by PVA Administrative Support. The PVA should attach copies of advertisements purchased, so that it can be determined that the advertisement is within the guidelines set by PVA Administrative Support. The credit card transactions by the PVA were reviewed and were found to be for official business with the exception of credit card interest of \$2,108, which is not necessary for office use, not beneficial to the public, and not reasonable in amount. The auditor was unable to view interest charges for November 2008, December 2008, or January 2009. The PVA should repay all credit card interest to the official PVA checking account out of personal funds.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Based on work performed, no capital expenditures over \$5,000 were noted.

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6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Services received for professional service contracts were appropriate, for official business, and properly authorized.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA's total actual expenditures exceeded his approved budget. The PVA was overspent in two account series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Collateral was not necessary for the PVA's funds. The FDIC account coverage was more than adequate.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Time records are completed, maintained, and support the hours worked. However, timesheets were not signed by the PVA or designee documenting approval.

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10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

Not applicable as no change in the PVA.

11. Procedure -

For newly hired employees, during July 1, 2008 through June 30, 2009, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

Based on work performed, no employees were hired from July 1, 2008 through June 30, 2009.

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was closed from January 27, 2009 through February 3, 2009 during July 1, 2008 through June 30, 2009 due to an ice storm. The proper procedures and forms were not completed.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

June 17, 2010